

**Company registration number: 02515428**

**Rendall & Rittner Limited**

**Financial statements**

**30 June 2019**

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## **Rendall & Rittner Limited**

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**Rendall & Rittner Limited**

**Directors and other information**

<b>Directors</b>	J W M Rittner	
	D L Rendall	
	C Riva	
	W G Hammond	
	R J Daver	
	S M Ellman	
	J S Bromilow	(Appointed 5 February 2019)
	S C Petri	(Appointed 13 August 2019)
	D J Steer	(Appointed 1 July 2019)
<b>Secretary</b>	D L Rendall	
<b>Company number</b>	02515428	
<b>Registered office</b>	Portsoken House 155-157 Minories London EC3N 1LJ	
<b>Auditor</b>	Independent Auditors LLP Emstrey House North Shrewsbury Business Park Shrewsbury SY2 6LG	

## **Rendall & Rittner Limited**

### **Strategic report Year ended 30 June 2019**

The directors present their strategic report for the year ended 30 June 2019.

#### **Principal activity and review of the business**

The company carried on business as property managers and this was its principal activity throughout the year.

#### **Business review**

The year ended 30 June 2019 once again resulted in a healthy growth in turnover which increased by 32.8%, from £16.2m to £21.6m. This is a result of the hive up of trade from two companies within the same group during the year, in addition to organic growth of the underlying business. Operating profit remains healthy at £0.89m, compared to £0.87m in 2018, whilst earnings before interest tax, depreciation and amortisation (EBITDA) increased by 75.7% from £1.1m to £1.9m.

#### **Results and dividends**

The profit for the year, before taxation, amounted to £887,031. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

#### **Financial key performance indicators**

At the end of the year net assets totalled £1,694,731 (2018: £1,578,486). The company's key financial and other performance indicators during the year were as follows:

Turnover for the year was £21,558,877 (2018: £16,235,560)

Profit before tax was £887,031 (2018: £873,071)

Net profit as a percentage of turnover was 4.11% (2018: 5.38%)

Earnings before interest, tax, depreciation and amortisation were £1,934,382 (2018: £1,056,580).

#### **Principal risks and uncertainties facing the business**

Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The principle risks and uncertainties facing the company as follows:

##### **(i) Market and economic environment**

Significant changes in the market and economic environment, particularly factors effecting the property market, could have significant impact on the company's turnover. The company continually monitors the pipeline of new opportunities and looks to develop relationships with a wide range of clients.

##### **(ii) Loss of key personnel**

The loss of key individuals may limit the company's ability to grow the business as anticipated. Competitive remuneration packages are offered in order to retain staff.

##### **(iii) Reliance on information technology**

The company relies on its IT systems to operate efficiently. Systems are continually reviewed and updated to ensure they meet demands of the business.

#### **Financial Instruments**

##### **Objectives and policies**

Income received from customers is matched to the performance and outgoings of suppliers and employees to reduce the possibility of losses from each contract or job undertaken. Bank receipts and payments are closely monitored and reconciled regularly.

##### **Financial risk management objectives and policies**

The business' principle financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations. In respect of debtors, the liquidity risk is minimised by ensuring policies are implemented concerning the credit offered to customers and a regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**Rendall & Rittner Limited**

**Strategic report (continued)**  
**Year ended 30 June 2019**

This report was approved by the board of directors on 30 March 2020 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'D L Rendall', with a long horizontal flourish extending to the right.

**D L Rendall**  
**Director**

## **Rendall & Rittner Limited**

### **Directors report Year ended 30 June 2019**

The directors present their report and the financial statements of the company for the year ended 30 June 2019.

#### **Directors**

The directors who served the company during the year were as follows:

J W M Rittner  
D L Rendall  
C Riva  
W G Hammond  
R J Daver  
S M Ellman  
J S Bromilow

(Appointed 5 February 2019)

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

#### **Future developments**

The company has continued to invest in key areas of infrastructure during the past year, especially its employees and IT systems. The investment together with the company's strong financial position should enable the company to take advantage of further opportunities for profitable growth.

#### **Employee involvement**

The company recognises the importance of its employees and is committed to effective two-way communication and consultation. It is the policy of the company to encourage and develop all members of staff to realise their maximum potential. In this way, staff will make their best possible contribution to the organisation's success. Feedback is provided to employees with regards to matters which affect them through regular staff consultations and meetings.

The company gives full and fair consideration to applicants for employment from disabled persons. With regard to existing employees who become disabled, the company will examine ways of providing continued employment in their existing position or will seek to retain the individuals for suitable alternative posts where possible. The company treats all employee's equally with regards to access to training and career development.

#### **Disclosure of information in the strategic report.**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has chosen to set out information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the company's strategic report.

#### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

**Rendall & Rittner Limited**

**Directors report (continued)**

**Year ended 30 June 2019**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 30 March 2020 and signed on behalf of the board by:



D L Rendall  
Director

## **Rendall & Rittner Limited**

### **Independent auditor's report to the members of Rendall & Rittner Limited (continued) Year ended 30 June 2019**

#### **Opinion**

We have audited the financial statements of Rendall & Rittner Limited for the year ended 30 June 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Rendall & Rittner Limited**

### **Independent auditor's report to the members of Rendall & Rittner Limited (continued) Year ended 30 June 2019**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Rendall & Rittner Limited**

**Independent auditor's report to the members of  
Rendall & Rittner Limited (continued)  
Year ended 30 June 2019**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Independent Auditors LLP*

Jonathon Dale BA(Hons) FCA (Senior Statutory Auditor)

For and on behalf of  
Independent Auditors LLP  
Chartered Accountants and Statutory Auditor  
Emstrey House North  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

*24 APRIL 2020*

**Rendall & Rittner Limited**

**Statement of income and retained earnings  
Year ended 30 June 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Turnover</b>	<b>4</b>	<b>21,558,877</b>	<b>16,235,560</b>
<b>Administrative expenses</b>		<b>(20,470,694)</b>	<b>(15,300,969)</b>
<b>Operating profit</b>	<b>5</b>	<b>1,088,183</b>	<b>934,591</b>
<b>Income from shares in group undertakings</b>	<b>8</b>	<b>27,609</b>	<b>93,414</b>
<b>Interest payable and similar expenses</b>	<b>9</b>	<b>(228,761)</b>	<b>(154,934)</b>
<b>Profit before taxation</b>		<b>887,031</b>	<b>873,071</b>
<b>Tax on profit</b>	<b>10</b>	<b>(254,866)</b>	<b>(159,832)</b>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>632,165</u></b>	<b><u>713,239</u></b>
<b>Dividends declared and paid or payable during the year<sup>11</sup></b>		<b>(515,920)</b>	<b>(121,410)</b>
<b>Retained earnings at the start of the year</b>		<b><u>1,571,486</u></b>	<b><u>979,657</u></b>
<b>Retained earnings at the end of the year</b>		<b><u>1,687,731</u></b>	<b><u>1,571,486</u></b>

All the activities of the company are from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

**Rendall & Rittner Limited**

**Statement of financial position  
30 June 2019**

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	12	1,919,225		16,635	
Tangible assets	13	648,497		217,210	
Investments	14	621,000		504,000	
			3,188,722		737,845
<b>Current assets</b>					
Debtors:					
Amounts falling due within one year	15	9,658,478		9,498,166	
Cash at bank and in hand		2,411,605		1,640,139	
			12,070,083		11,138,305
<b>Creditors: amounts falling due within one year</b>					
	16	(10,782,536)		(6,816,290)	
<b>Net current assets</b>			1,287,547		4,322,015
<b>Total assets less current liabilities</b>			4,476,269		5,059,860
<b>Creditors: amounts falling due after more than one year</b>					
	17	(2,685,379)		(3,453,238)	
<b>Provisions for liabilities</b>					
	18	(96,159)		(28,136)	
<b>Net assets</b>			1,694,731		1,578,486
<b>Capital and reserves</b>					
Called up share capital	22	7,000		7,000	
Profit and loss account	23	1,687,731		1,571,486	
<b>Shareholders funds</b>			1,694,731		1,578,486

The notes on pages 13 to 25 form part of these financial statements.

**Rendall & Rittner Limited**

**Statement of financial position (continued)**  
**30 June 2019**

These financial statements were approved by the board of directors and authorised for issue on 30 March 2020, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'D L Rendall', written in a cursive style.

D L Rendall  
Director

Company registration number: 02515428

**The notes on pages 13 to 25 form part of these financial statements.**

**Rendall & Rittner Limited**

**Statement of cash flows  
Year ended 30 June 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	632,165	713,239
<i>Adjustments for:</i>		
Depreciation of tangible assets	157,086	117,053
Amortisation of intangible assets	689,113	49,366
Income from shares in group undertakings	(27,609)	(93,414)
Interest payable and similar expenses	228,761	154,934
Tax on profit	254,866	159,832
Accrued expenses/(income)	633,197	(19,464)
<i>Changes in:</i>		
Trade and other debtors	(160,312)	(5,404,826)
Trade and other creditors	3,227,457	4,091,084
Cash generated from operations	5,634,724	(232,196)
Interest paid	(228,761)	(154,934)
Tax paid	(151,056)	-
Net cash from/(used in) operating activities	<u>5,254,907</u>	<u>(387,130)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(588,373)	(148,066)
Purchase of intangible assets	(2,591,703)	-
Acquisition of subsidiaries	(117,000)	-
Proceeds from sale of subsidiaries	-	150,002
Dividends received	27,609	-
Net cash (used in)/from investing activities	<u>(3,269,467)</u>	<u>1,936</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(45,500)	45,500
Proceeds from loans from group undertakings	(652,554)	903,883
Equity dividends paid	(515,920)	(121,410)
Net cash (used in)/from financing activities	<u>(1,213,974)</u>	<u>827,973</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	771,466	442,779
<b>Cash and cash equivalents at beginning of year</b>	1,640,139	1,197,360
<b>Cash and cash equivalents at end of year</b>	<u>2,411,605</u>	<u>1,640,139</u>

## **Rendall & Rittner Limited**

### **Notes to the financial statements Year ended 30 June 2019**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Rendall & Rittner Limited, Portsoken House, 155-157 Minories, London, EC3N 1LJ.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £.

##### **Judgements and key sources of estimation uncertainty**

No significant judgements have had to be made by management in preparing these financial statements.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 20%	straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment	- 25%
Computer equipment	- 33%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

**Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

## **Rendall & Rittner Limited**

### **Notes to the financial statements (continued) Year ended 30 June 2019**

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

**4. Turnover**

Turnover arises from:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rendering of services	<b>21,558,877</b>	<b>16,235,560</b>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible assets	<b>689,113</b>	<b>49,366</b>
Depreciation of tangible assets	<b>157,086</b>	<b>117,053</b>
Operating lease rentals	<b>561,329</b>	<b>430,570</b>
Fees payable for the audit of the financial statements	<b>29,002</b>	<b>25,007</b>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**6. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2019</b>	<b>2018</b>
Administrative staff	101	64
Directors	6	6
Property Management	196	165
Operations	39	30
	<u>342</u>	<u>265</u>

The aggregate payroll costs incurred during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,826,161	10,113,075
Social security costs	1,366,626	1,074,786
Other pension costs	315,213	104,963
	<u>14,508,000</u>	<u>11,292,824</u>

**7. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration	725,510	638,234
Company contributions to pension schemes in respect of qualifying services	14,711	7,531
	<u>740,221</u>	<u>645,765</u>

The number of directors who accrued benefits under company pension plans was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Defined contribution plans	<u>7</u>	<u>6</u>

Remuneration of the highest paid directors in respect of qualifying services:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	179,469	166,851
Company contributions to pension plans in respect of qualifying services	3,710	1,983
	<u>183,179</u>	<u>168,834</u>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**8. Income from shares in group undertakings**

	2019	2018
	£	£
Dividends from shares in group undertakings	27,609	-
Gain/loss on disposal of shares in group	-	54,002
Gain/loss on impairment adjustment to shares in group	-	39,412
	<u>27,609</u>	<u>93,414</u>

**9. Interest payable and similar expenses**

	2019	2018
	£	£
Other interest payable and similar expenses	<u>228,761</u>	<u>154,934</u>

**10. Tax on profit**

**Major components of tax expense**

	2019	2018
	£	£
<b>Current tax:</b>		
UK current tax expense	<u>186,843</u>	<u>151,056</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>68,023</u>	<u>8,776</u>
<b>Tax on profit</b>	<u>254,866</u>	<u>159,832</u>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

	2019	2018
	£	£
Profit before taxation	<u>887,031</u>	<u>873,071</u>
Profit multiplied by rate of tax	168,536	165,883
Effect of expenses not deductible for tax purposes	4,845	(15,431)
Effect of capital allowances and depreciation	63,010	604
Effect of revenue exempt from tax	(5,246)	-
Group relief	(44,302)	-
<b>Tax on profit</b>	<u>186,843</u>	<u>151,056</u>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**11. Dividends**

**Equity dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>515,920</u>	<u>121,410</u>

**12. Intangible assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 July 2018	248,508	248,508
Additions	<u>2,591,703</u>	<u>2,591,703</u>
<b>At 30 June 2019</b>	<u>2,840,211</u>	<u>2,840,211</u>
<b>Amortisation</b>		
At 1 July 2018	231,873	231,873
Charge for the year	<u>689,113</u>	<u>689,113</u>
<b>At 30 June 2019</b>	<u>920,986</u>	<u>920,986</u>
<b>Carrying amount</b>		
<b>At 30 June 2019</b>	<u>1,919,225</u>	<u>1,919,225</u>
<b>At 30 June 2018</b>	<u>16,635</u>	<u>16,635</u>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**13. Tangible assets**

	Short leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2018	-	463,876	681,179	1,145,055
Additions	153,322	188,640	218,831	560,793
Transfers	-	-	41,089	41,089
<b>At 30 June 2019</b>	<u>153,322</u>	<u>652,516</u>	<u>941,099</u>	<u>1,746,937</u>
<b>Depreciation</b>				
At 1 July 2018	-	353,426	574,419	927,845
Charge for the year	1,299	59,364	96,423	157,086
Transfers	-	-	13,509	13,509
<b>At 30 June 2019</b>	<u>1,299</u>	<u>412,790</u>	<u>684,351</u>	<u>1,098,440</u>
<b>Carrying amount</b>				
At 30 June 2019	<u>152,023</u>	<u>239,726</u>	<u>256,748</u>	<u>648,497</u>
At 30 June 2018	<u>-</u>	<u>110,450</u>	<u>106,760</u>	<u>217,210</u>

**14. Investments**

	Shares in group undertakings £	Other loans £	Total £
<b>Cost</b>			
At 1 July 2018	504,000	250,324	754,324
Additions	117,000	-	117,000
<b>At 30 June 2019</b>	<u>621,000</u>	<u>250,324</u>	<u>871,324</u>
<b>Impairment</b>			
At 1 July 2018 and 30 June 2019	<u>-</u>	<u>250,324</u>	<u>250,324</u>
<b>Carrying amount</b>			
At 30 June 2019	<u>621,000</u>	<u>-</u>	<u>621,000</u>
At 30 June 2018	<u>504,000</u>	<u>-</u>	<u>504,000</u>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**Investments in group undertakings**

	Registered office	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
Bourne Estates Limited	England and Wales	Ordinary	100

During the year the company purchased an additional 20% shareholding in Bourne Estates Limited

**15. Debtors**

Debtors falling due within one year are as follows:

	2019 £	2018 £
Trade debtors	5,047,323	1,219,320
Amounts owed by group undertakings	2,922,094	6,893,610
Prepayments and accrued income	1,146,903	960,118
Other debtors	542,158	425,118
	<u>9,658,478</u>	<u>9,498,166</u>

**16. Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	1,074,944	365,918
Amounts owed to group undertakings	601,329	1,253,883
Accruals and deferred income	3,830,762	3,197,565
Corporation tax	184,779	148,992
Social security and other taxes	2,997,121	974,075
Director loan accounts	-	45,500
Other creditors	2,093,601	830,357
	<u>10,782,536</u>	<u>6,816,290</u>

**17. Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	<u>2,685,379</u>	<u>3,453,238</u>

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**18. Provisions**

	Deferred tax (note 19)	Total
	£	£
At 1 July 2018	28,136	28,136
Additions	68,023	68,023
At 30 June 2019	<u>96,159</u>	<u>96,159</u>

**19. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 18)	<u>96,159</u>	<u>28,136</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Provisions	<u>96,159</u>	<u>28,136</u>

**20. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £315,213 (2018: £104,963).

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**21. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	5,047,323	1,219,320
Other debtors	2,922,094	6,903,825
Cash at bank and in hand	2,411,605	1,640,139
	<u>10,381,022</u>	<u>9,763,284</u>
 <b>Financial assets that are equity instruments measured at cost less impairment</b>		
Unlisted investments	<u>621,000</u>	<u>504,000</u>
 <b>Financial liabilities measured at amortised cost</b>		
Trade creditors	1,074,944	365,918
Other creditors	4,265,811	5,464,338
	<u>5,340,755</u>	<u>5,830,256</u>

**22. Called up share capital**  
**Issued, called up and fully paid**

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

**23. Reserves**

Called up equity share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits.

**Rendall & Rittner Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2019**

**24. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	479,353	442,532
Later than 1 year and not later than 5 years	1,258,808	628,463
Later than 5 years	1,326,797	109,959
	<u>3,064,958</u>	<u>1,180,954</u>

**25. Contingent liabilities**

The company entered into an agreement with a supplier in April 2019 to provide services to the company in respect of sites that it manages on behalf of its clients. In July 2019 the company suspended the agreement following complaints as to the work undertaken by the supplier. The agreement was terminated by the supplier in October 2019 and they have now threatened to raise a claim against the company for loss of earnings. The Directors of the company believe that the threatened claim is without merit and it will be defended vigorously if proceedings are served. At this stage, it's too early to ascertain whether the company will have a liability as a result of the threatened proceedings and consequently any financial cost can't be quantified at this stage.

# Rendall & Rittner Limited

## Notes to the financial statements (continued) Year ended 30 June 2019

### 26. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
D L Rendall	7,960	-	(7,960)	-
J W M Rittner	(45,500)	-	45,500	-
	<u>(37,540)</u>	<u>-</u>	<u>37,540</u>	<u>-</u>
	2018			
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
D L Rendall	-	(150,000)	157,960	7,960
J W M Rittner	-	(100,000)	54,500	(45,500)
	<u>-</u>	<u>(250,000)</u>	<u>212,460</u>	<u>(37,540)</u>

The non-interest bearing loans are repayable upon demand.

### 27. Related party transactions

The company was charged rent totalling £50,000 (2018: £50,000) by the Rendall and Rittner Limited Executive Retirements Benefits Scheme, of which D L Rendall and J W M Rittner are both beneficiaries. As at the balance sheet date, £20,000 (2018: £nil) was owed by the company as included within creditors falling due within one year. As at the balance sheet date, the company has entered into an operating lease of which instalments totalling £135,890 (2018: £185,890) remain outstanding as at the balance sheet date.

Transactions with other companies in the group have not been disclosed in accordance with section 33.1A of FRS 102.

### 28. Controlling party

The company's parent undertaking is R & R Residential Management Limited, a company incorporated in England and Wales. Copies of the group accounts are available from Companies House.

The ultimate controlling parties are the directors J W M Rittner and D L Rendall who own 85% of the issued share capital of R & R Residential Management Limited.